

Telemarketing Scams

Shopping by telephone, especially during the holidays, can be very convenient, and there are many legitimate companies that do business through telemarketing. However, most people would be surprised to know that there are an estimated 14,000 illegal telemarketing operations bilking U.S. citizens of at least \$40 billion annually. Unfortunately, the telephone is used by crooks every day to commit armed robbery against consumers. These people rob with phones instead of guns, and they don't care about the pain they cause when, for example, they steal an elderly person's life savings. All consumers, and seniors in particular, need to understand that these aren't just aggressive or "sleazy" salespeople trying to make a living -- fraudulent telemarketers are hardened criminals willing to take their victims' life savings. They're so good at what they do, they can even persuade people to mortgage their homes in order to claim their sweepstakes winnings or make investments. But all too often there aren't really any sweepstakes, investments or other great deals, merely the loss to the victim and a disconnected phone number and fake address on which to base any pursuit of the criminals.

Studies by various agencies show that most fraud victims don't make the connection between illegal telemarketing and criminal activity. They simply don't associate the voice on the phone with someone who could be trying to steal their money. Most believe that the caller is a nice young man or woman simply trying to make a living, such as a student working his or her way through college, or an ambitious person trying to set a good sales record at the company. Or, in the spirit of the holiday season, choose to believe in people rather than distrust them. Later, they may realize that they haven't gotten their money's worth, but they are reluctant to admit that they have been cheated or robbed by telemarketers.

Once they understand that illegal telemarketing is a serious crime -- punishable by heavy fines and long prison sentences -- people are more likely to hang up and report calls to the authorities.

It's sometimes hard to tell if a sales pitch is legitimate or fraudulent. You can't judge it by the tone of someone's voice, or how friendly or sincere the person seems.

Good salespeople are convincing, and so are crooks.

Here are some typical telemarketing scams, and the reality behind them:

Scam: You get a call or postcard from someone telling you you've won a prize and asking for payment to buy something, for processing or administrative fees, for customs, for taxes, or any other reason.

Fact: Legitimate sweepstakes or prize offers don't ask for payment because it's illegal.

Scam: The person says you have to take the offer immediately or you'll miss the opportunity.

Fact: Legitimate companies don't pressure people to act without time to look into the deal.

Scam: The caller refuses to send you written information before you commit to anything.

Fact: Legitimate companies are always glad to send information about what they're offering.

Scam: The caller claims that you can make huge profits in an investment with no risk.

Fact: All investments are risky and legitimate companies must tell consumers about the possible risks involved.

Scam: The caller claims that you can make huge profits through a franchise or other business opportunity with little or no effort.

Fact: All business ventures require knowledge and effort on the part of buyers, and no legitimate companies would guaranty profits.

Scam: The caller is asking for a donation but won't tell you exactly how the money will be used and how you can verify the charity and what it does.

Fact: Legitimate charities are willing to say what percentage of contributions is used for services and how much goes to overhead and fundraising. They are also willing to tell consumers with whom they can check to confirm that the caller is legitimate.

Scam: The caller insists that you send your payment by a private courier or wire money.

Fact: Legitimate companies don't try to keep people from checking the deal out and changing their minds, or try to evade the postal authorities, by demanding immediate payment by courier or wire.

Scam: The company representative asks for cash.

Fact: Legitimate companies don't ask for cash, but con artists do because they often have trouble getting merchant approval from the credit card companies, and they also want to be hard to trace.

Scam: The caller asks for your social security number.

Fact: Legitimate companies don't ask for that unless you are applying for credit and they need to check your credit report.

Scam: The caller asks for your credit card number, bank account number, or other financial information when you aren't buying anything or paying with those accounts.

Fact: Legitimate companies only ask for financial information to bill you or debit your account for purchases you've agreed to make.

Scam: The company calls you relentlessly or after you've asked not to be called anymore.

Fact: Legitimate companies will take "no" for an answer and will take you off their calling lists if you ask. Con artists will keep on calling to wear you down or get more money from you.

Scam: The company representative offers to get you a loan, or credit, or a credit card, or to "repair" your bad credit if you pay an up-front fee.

Fact: Legitimate lenders and credit card issuers do not demand payment in advance, and no one can get bad information removed from a credit file if it is accurate.

Scam: The company representative offers to get back money that you have lost to another fraudulent scheme if you pay an up-front fee.

Fact: Law enforcement agencies don't ask for payment to try to help consumers get their money back, and it's illegal for a company to ask for advance payment for such services.

Remember, giving money to a fraudulent telemarketer usually means losing it forever. Don't let a criminal break into your home through your telephone line!

You can call the Legal Assistance Office at 532-4371 if you are concerned about a telemarketing call, or the National Consumer Hotline at 1-800-876-7060, or your local law enforcement authority.

The Point of Contact for this subject is Ms. Pamela McArthur, DSN 992-4371, commercial (732) 532-4371.